

ANNUAL REPORT



U.S. LEADERSHIP  
BUSINESS INFORMATION BUREAU  
CORPORATION FILE

CONTAINER CORPORATION OF AMERICA

CHICAGO, ILLINOIS

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FISCAL YEAR ENDED DECEMBER THIRTY-FIRST

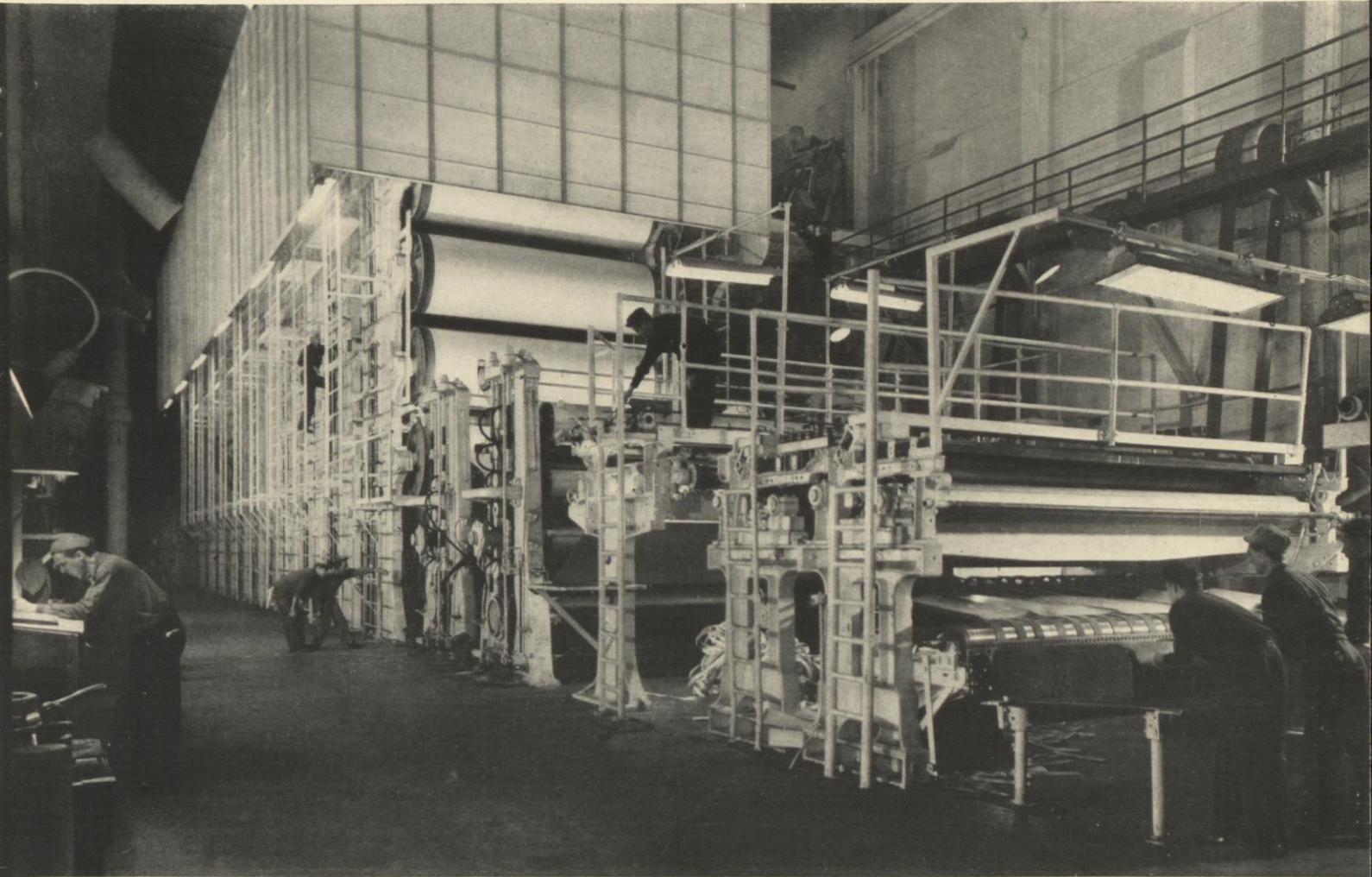
BOARDS

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The Annual Meeting of the stockholders will be held on Wednesday, April 14, 1948. A notice of the meeting, together with a form of proxy and a proxy statement, will be mailed to stockholders on or about March 18, 1948, at which time proxies will be requested by the management.

ANNUAL REPORT



Recently modernized paperboard machine at the Philadelphia mill.

MARCH 4, 1948

CONTAINER CORPORATION OF AMERICA  
AND SUBSIDIARY COMPANIES

<b>MILLS</b>	CARTHAGE, INDIANA CHATTANOOGA, TENNESSEE CHICAGO, ILLINOIS CINCINNATI, OHIO CIRCLEVILLE, OHIO FERNANDINA, FLORIDA	LOS ANGELES, CALIFORNIA PHILADELPHIA, PENNSYLVANIA TACOMA, WASHINGTON WABASH, INDIANA WILMINGTON, DELAWARE
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<b>FACTORIES</b>	ANDERSON, INDIANA ATLANTA, GEORGIA BALTIMORE, MARYLAND BOSTON, MASSACHUSETTS CHATTANOOGA, TENNESSEE CHICAGO, ILLINOIS CINCINNATI, OHIO CLEVELAND, OHIO DETROIT, MICHIGAN FORT WORTH, TEXAS GREENSBORO, NORTH CAROLINA	JOHNSON CITY, TENNESSEE KALAMAZOO, MICHIGAN KNOXVILLE, TENNESSEE LOS ANGELES, CALIFORNIA NEW ORLEANS, LOUISIANA OAKLAND, CALIFORNIA PHILADELPHIA, PENNSYLVANIA ROCK ISLAND, ILLINOIS SEATTLE, WASHINGTON SIOUX CITY, IOWA ST. LOUIS, MISSOURI
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<b>BRANCH AND SALES OFFICES</b>	ANDERSON, INDIANA ATLANTA, GEORGIA BALTIMORE, MARYLAND BOSTON, MASSACHUSETTS CHATTANOOGA, TENNESSEE CHICAGO, ILLINOIS CINCINNATI, OHIO CLEVELAND, OHIO DALLAS, TEXAS DETROIT, MICHIGAN FORT WORTH, TEXAS GREENSBORO, NORTH CAROLINA INDIANAPOLIS, INDIANA JOHNSON CITY, TENNESSEE KALAMAZOO, MICHIGAN	KNOXVILLE, TENNESSEE LOS ANGELES, CALIFORNIA MINNEAPOLIS, MINNESOTA NEW ORLEANS, LOUISIANA NEW YORK, NEW YORK OAKLAND, CALIFORNIA OMAHA, NEBRASKA PHILADELPHIA, PENNSYLVANIA PORTLAND, OREGON ROCK ISLAND, ILLINOIS SEATTLE, WASHINGTON SIOUX CITY, IOWA ST. LOUIS, MISSOURI TACOMA, WASHINGTON WABASH, INDIANA
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<b>FOREIGN COMPANIES</b>	CARTON INTERNACIONAL, S.A., PANAMA CARTON DE COLOMBIA, S.A. (50% ownership) CARTOENVASES DE MEXICO, S.A. (50% ownership)	
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**38 SOUTH DEARBORN STREET, CHICAGO 3, ILLINOIS**

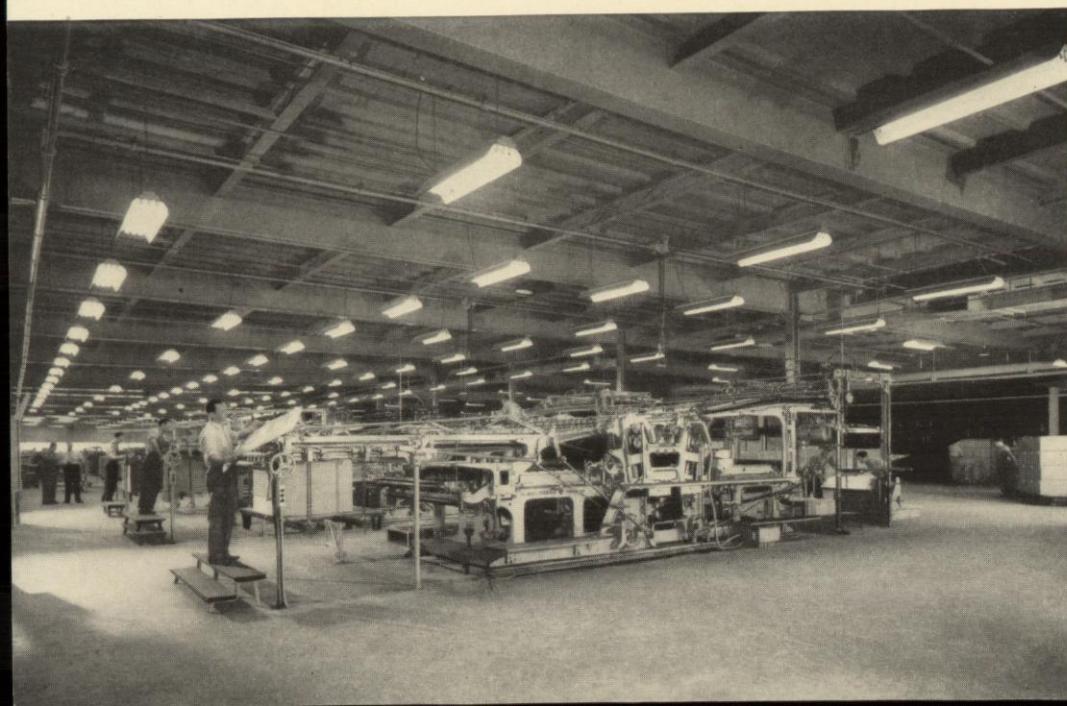
**DIRECTORS** WILLIAM R. BASSET, New York, New York  
JOHN E. BIERWIRTH, New York, New York  
HENRY B. CLARK, San Diego, California  
WESLEY M. DIXON, Chicago, Illinois  
JOHN L. DOLE, Chicago, Illinois  
RICHARD G. IVEY, London, Ontario, Canada  
WILLIAM P. JEFFERY, New York, New York  
IRA C. KELLER, Chicago, Illinois  
WALTER P. PAEPCKE, Chicago, Illinois  
JOHN V. SPACHNER, Chicago, Illinois

**EXECUTIVE COMMITTEE** WILLIAM R. BASSET RICHARD G. IVEY  
JOHN E. BIERWIRTH WILLIAM P. JEFFERY  
WESLEY M. DIXON WALTER P. PAEPCKE

**OFFICERS** Chairman of the Board, WALTER P. PAEPCKE  
President, WESLEY M. DIXON  
Vice President, J. A. CUNNINGHAM  
Vice President, IRA C. KELLER  
Vice President, JOHN V. SPACHNER  
Secretary and Treasurer, E. A. WAGONSELLER  
Controller, C. M. BLUMENSCHEN  
Assistant Treasurer, CHRIST MADSEN  
Assistant Secretary, H. J. GREVEN  
Assistant Secretary, PAUL W. GUENZEL  
Assistant Secretary, C. H. SEELEY  
Assistant Controller, EDWARD J. STOUT

**TRANSFER AGENTS** CONTAINER CORPORATION OF AMERICA,  
Chicago, Illinois  
CITY BANK FARMERS TRUST COMPANY,  
New York, New York

**REGISTRARS** CONTINENTAL ILLINOIS NATIONAL BANK AND  
TRUST COMPANY, Chicago, Illinois  
THE NEW YORK TRUST COMPANY,  
New York, New York



The new folding carton plant at Greensboro, North Carolina. Left, interior view, same plant.

CONTAINER CORPORATION OF AMERICA  
AND SUBSIDIARY COMPANIES  
CHICAGO, ILLINOIS, MARCH 4, 1948

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TO THE SHAREHOLDERS AND EMPLOYEES OF  
CONTAINER CORPORATION OF AMERICA

We submit to you the Annual Report of Container Corporation of America for the year ended December 31, 1947, including the Auditors' Certificate, a Consolidated Balance Sheet, and Summaries of Consolidated Profit and Loss and Surplus Accounts.

The consolidated financial statements reflect, in addition to the results of the parent Company's operation, those of its four wholly owned subsidiaries; California Container Corporation, Pioneer Paper Stock Company and Sefton Fibre Can Company each for the full year 1947, and O. B. Andrews Company from the date of its acquisition, June 28, 1947.

FINANCIAL REVIEW

EARNINGS. Consolidated net profit for 1947 was \$10,273,603 compared with \$7,165,561 for 1946 after providing \$600,000 for inventory and contingencies reserve in 1946. The figures for each year are after all charges. The net profit for the year 1947 amounted to \$10.09 a share on the 990,474 shares of common stock outstanding as of December 31, 1947, after providing for dividends of \$277,333 on the preferred stock since date of issue, April 15, 1947, compared with \$7.23 a share for the year 1946 on the 990,474 shares outstanding on December 31, 1946. Quarterly earnings per share on the common stock, after provision for dividends on the preferred stock during the last three quarters of the year 1947, follow:

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1st Quarter.....	\$ 3.21
2nd Quarter.....	2.43
3rd Quarter.....	2.26
4th Quarter.....	2.19
	<hr/>
	\$10.09

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Dividends paid during 1947 were as follows:

Preferred Stock	Common Stock
June 1..... \$ .44	February 20..... \$ .50
September 1..... 1.00	May 20..... .50
December 1..... 1.00	August 20..... 1.00
	November 20..... 1.00
	December 26..... 1.50
<u><u>\$2.44</u></u>	<u><u>\$4.50</u></u>

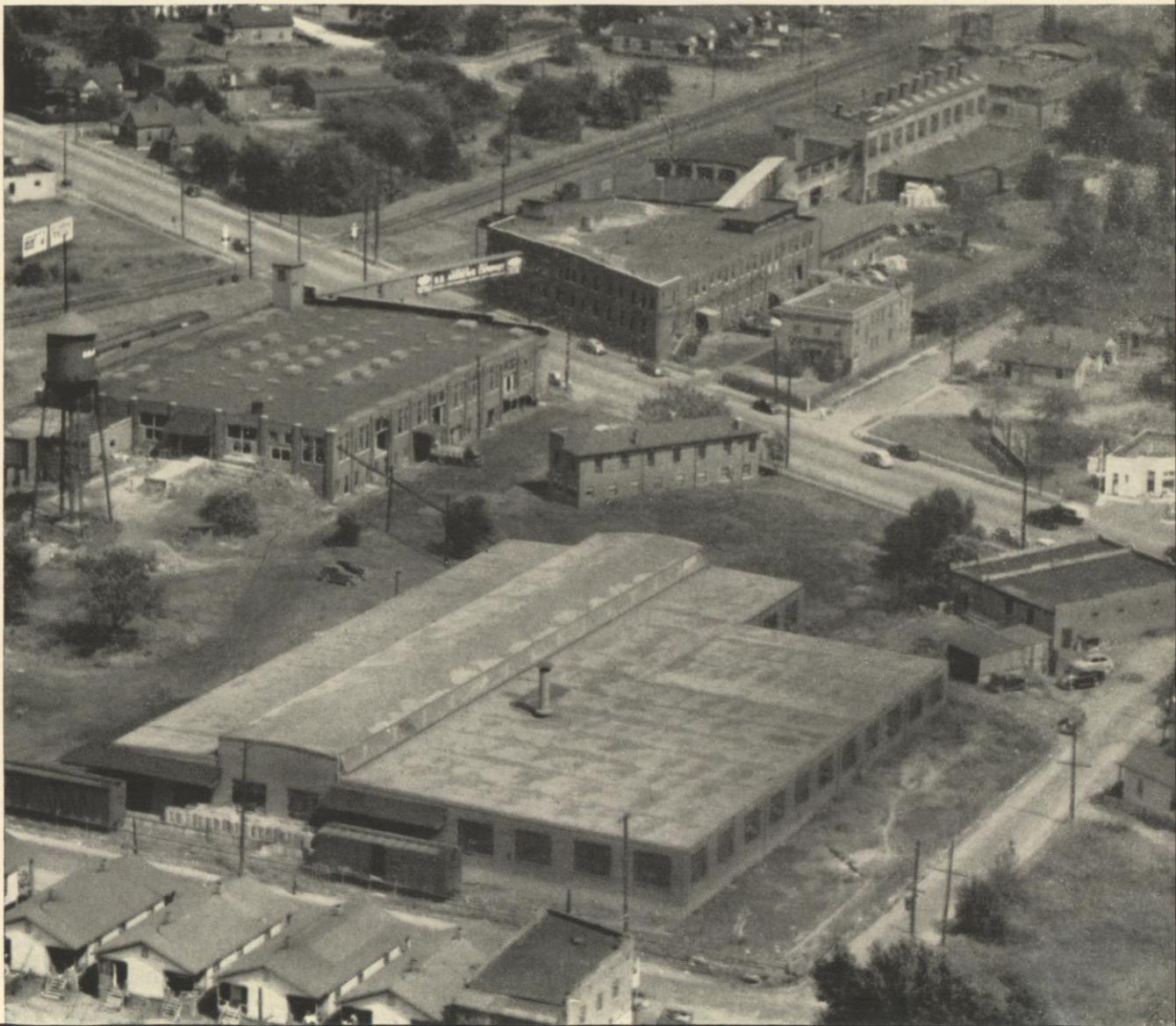
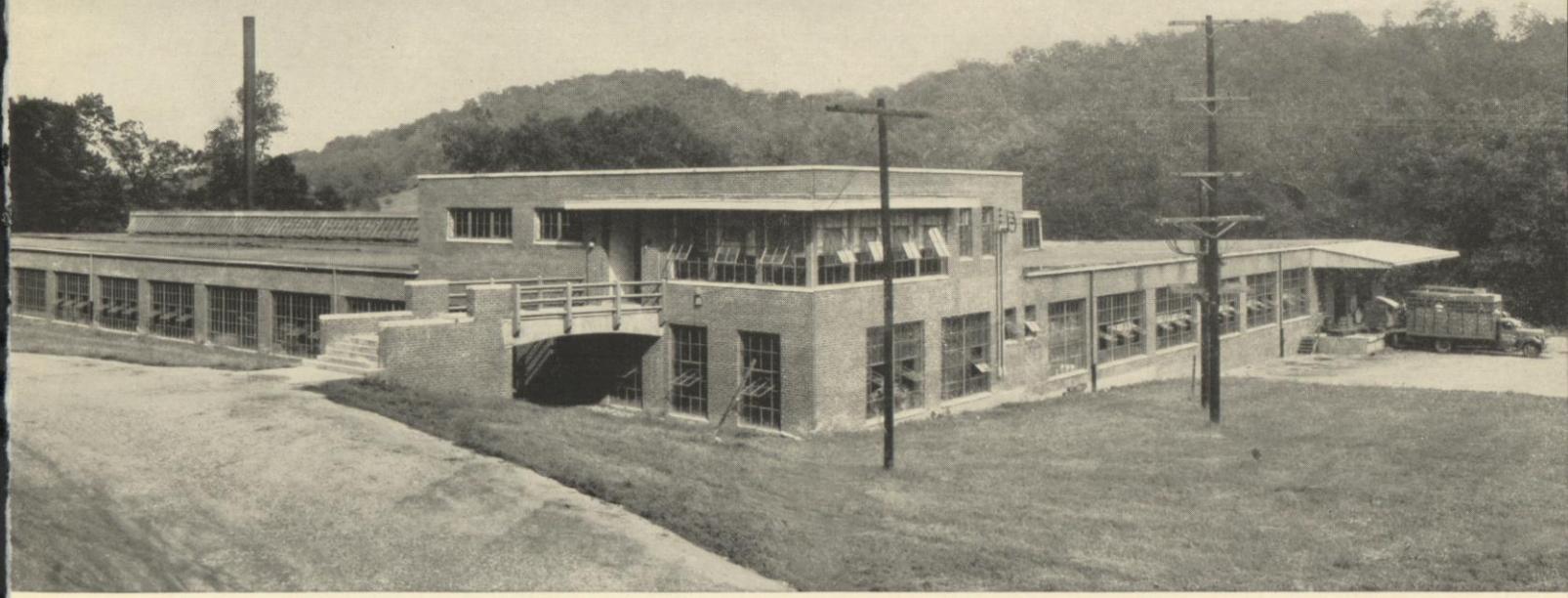
A comparative tabulation of operating results for the last three years is given below:

	1947	1946	1945
Net Sales.....	\$128,345,675	\$91,090,286	\$74,138,191
Cost of sales (exclusive of depreciation).....	102,475,747	71,246,408	59,589,990
Gross profit (exclusive of depreciation).....	\$ 25,869,928	\$19,843,878	\$14,548,201
Provision for depreciation (includes depletion of \$50,864 for 1947, \$36,078 for 1946 and \$17,025 for 1945).....	1,715,774	1,493,346	1,435,464
Gross profit from operations.....	\$ 24,154,154	\$18,350,532	\$13,112,737
Selling, administrative and general expenses.....	6,872,580	5,317,302	4,496,451
Profit from operations.....	\$ 17,281,574	\$13,033,230	\$ 8,616,286
Other income or <i>deductions</i> (net).....	307,971	102,331	399,817
Profit before Federal income taxes, etc.....	\$ 16,973,603	\$13,135,561	\$ 9,016,103
Provision for Federal income taxes (including renegotiation provision in 1945).....	6,700,000	5,370,000	6,690,000
Net profit for the year.....	\$ 10,273,603	\$ 7,765,561	\$ 2,326,103
Provision for inventory and contingencies reserve.....	—	600,000	300,000
Balance carried to Earned Surplus.....	\$ 10,273,603	\$ 7,165,561	\$ 2,026,103

Depreciation reserves were provided at rates similar to those used in preceding years and totaled \$1,664,910. Timber depletion amounted to \$50,864. The amount of timber cut from the Company's holdings was relatively small since most of the Company's requirements were purchased from others during the year.

The loss on capital assets sold or retired was \$2,148 which was charged against the year's earnings.

The repair and maintenance expenses for the year increased over more normal years due to continued higher costs of labor and materials, around the clock production schedules, and the operation of additional properties. Unusual expenses of rearrangement of existing facilities very materially increased repair and maintenance costs.



The Federal income tax amounted to \$6,700,000 or \$6.76 per share of outstanding common stock.

The tabulation on this page and the diagram opposite show the disposition of the Company's net sales dollar between raw materials, factory supplies and expense, labor, selling, administrative and general expense, depreciation, taxes, and net profit.

	1947		1946	
Net Sales.....	\$128,345,675	100.00%	\$91,090,286	100.00%
Raw materials.....	\$ 50,781,886	39.57%	\$34,804,112	38.21%
Factory supplies and expense.....	27,543,564	21.46	18,018,244	19.78
Labor.....	23,057,949	17.97	17,466,891	19.17
*Selling, administrative and general expense...	7,027,638	5.47	5,243,697	5.76
Provision for depreciation (includes depletion of \$50,864 for 1947 and \$36,078 for 1946)...	1,715,774	1.34	1,493,346	1.64
Provision for local and Federal taxes.....	7,945,261	6.19	6,298,435	6.91
**Net Profit.....	10,273,603	8.00	7,165,561	7.87

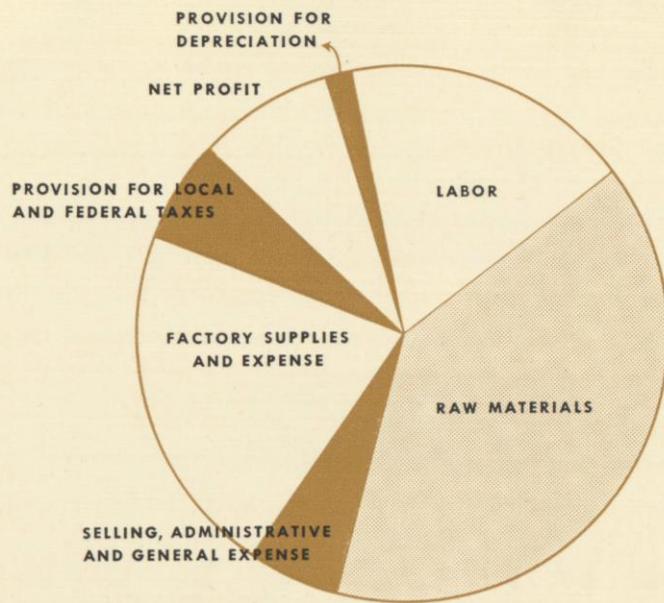
\*Includes other income and charges.

\*\*After provision in 1946 of \$600,000 for inventory and contingencies reserve.

**WORKING CAPITAL.** Changes in working capital between 1947 and 1946 are detailed in the following table:

	December 31		Increase or Decrease (d)
	1947	1946	
<b>CURRENT ASSETS:</b>			
Cash.....	\$ 6,533,344	\$ 5,917,335	\$ 616,009
U. S. Government Securities.....	748,187	133,321	614,866
Accounts receivable, less reserves.....	6,180,152	5,115,371	1,064,781
Inventories.....	9,270,857	6,136,154	3,134,703
Total current assets.....	\$22,732,540	\$17,302,181	\$5,430,359
<b>CURRENT LIABILITIES:</b>			
Accounts payable.....	\$ 3,019,510	\$ 2,037,779	\$ 981,731
Accrued salaries, wages and profit sharing provision.....	1,397,922	1,349,343	48,579
Accrued taxes.....	867,086	640,770	226,316
Provision for Federal income taxes.....	*	*	—
Other accruals.....	105,136	193,991	88,855 (d)
Dividends payable.....	100,000	—	100,000
Total current liabilities.....	\$ 5,489,654	\$ 4,221,883	\$1,267,771
Net working capital.....	\$17,242,886	\$13,080,298	\$4,162,588
Current ratio.....	4.14 to 1	4.10 to 1	
*Provision for Federal income taxes.....	\$ 7,835,425	\$ 7,266,403	—
Less Treasury Notes—tax series.....	7,835,425	7,266,403	—

The net improvement in working capital was \$4,162,588. Higher accounts receivable automatically followed the greater volume of sales. The substantial increase in inventories was caused by higher dollar values, increase in quantities, and additional properties.



An application of funds statement for the year 1947 appears below:

Funds were provided from the following sources:

Net profit for the year.....	\$10,273,603
Expense items which did not require cash expenditures—	
Provision for depreciation (includes depletion of \$50,864 and depreciation of \$40,382 charged to administrative and selling costs).....	1,756,156
	\$12,029,759
Net proceeds from the sale of 4% cumulative preferred stock.	
Working capital acquired through the acquisition of O. B. Andrews Company.....	9,889,209
Realization of other assets.....	
	865,596
Total funds provided.....	444,670
	\$23,229,234

Funds were expended or segregated for the following:

Dividends—	
4% cumulative preferred stock.....	\$ 344,000
Common stock.....	4,457,133
	\$ 4,801,133
Plant and equipment—	
Additions.....	\$9,602,406
Less net book value of sales and retirements.....	114,491
	9,487,915
Additional cash set aside for plant additions and betterment program.....	2,000,000
Acquisition of O. B. Andrews Company.....	1,838,120
Advance to foreign subsidiary.....	50,000
Deficiency payments of Federal taxes on income.....	889,478
	\$19,066,646
Resulting in a net increase in working capital of.....	\$ 4,162,588

Capital expenditures made during the year totaled \$9,602,406. These expenditures can be separated into two principal categories: (1) the largest single item constituting the conversion from pulp production to kraft container board manufacture of the Fernandina, Florida mill, and (2) a multiplicity of expenditures for improvements and modernization of power plants, paper mills and fabricating machinery, benefiting practically all of the Company's plants.

The Fernandina, Florida project which consists of the installation of a Fourdrinier kraft container board machine and auxiliary equipment is nearing completion, and it is expected that the new machine will be in operation during the early part of 1948. This mill will have an estimated annual capacity of 60,000 tons of kraft container board and will use and convert all of Fernandina's present sulphate pulp production. The balance sheet, as of December 31, 1947, reflects the transfer of the construction in progress expenditures at this location into the buildings, machinery and equipment accounts.

The other capital expenditures of major importance were the rebuilding of the largest paper machine at Philadelphia and its conversion to the manufacture of high grade folding carton board, a new boiler at the Wabash, Indiana mill, a new, large, and high speed corrugator at Fort Worth, Texas, and a new turbine at the Circleville, Ohio mill.

In addition, a general program of improvements and further modernization of your Company's physical plants was continued. These improvements were of a great variety made necessary and desirable by the growth in demand for the Company's products together with the making up of needed plant and equipment modernization deficiencies accumulated during the war period.

As a result of these expenditures, costs will be reduced and the quality of products improved for the more competitive periods which unquestionably lie ahead.

The new Greensboro, North Carolina fabricating plant was completed and operations commenced in July, 1947. The building at this location was constructed for the Company's use and leased on a long term basis.

The buildings and real estate of the Baltimore, Maryland corrugated container plant, heretofore under lease, were purchased during the year.

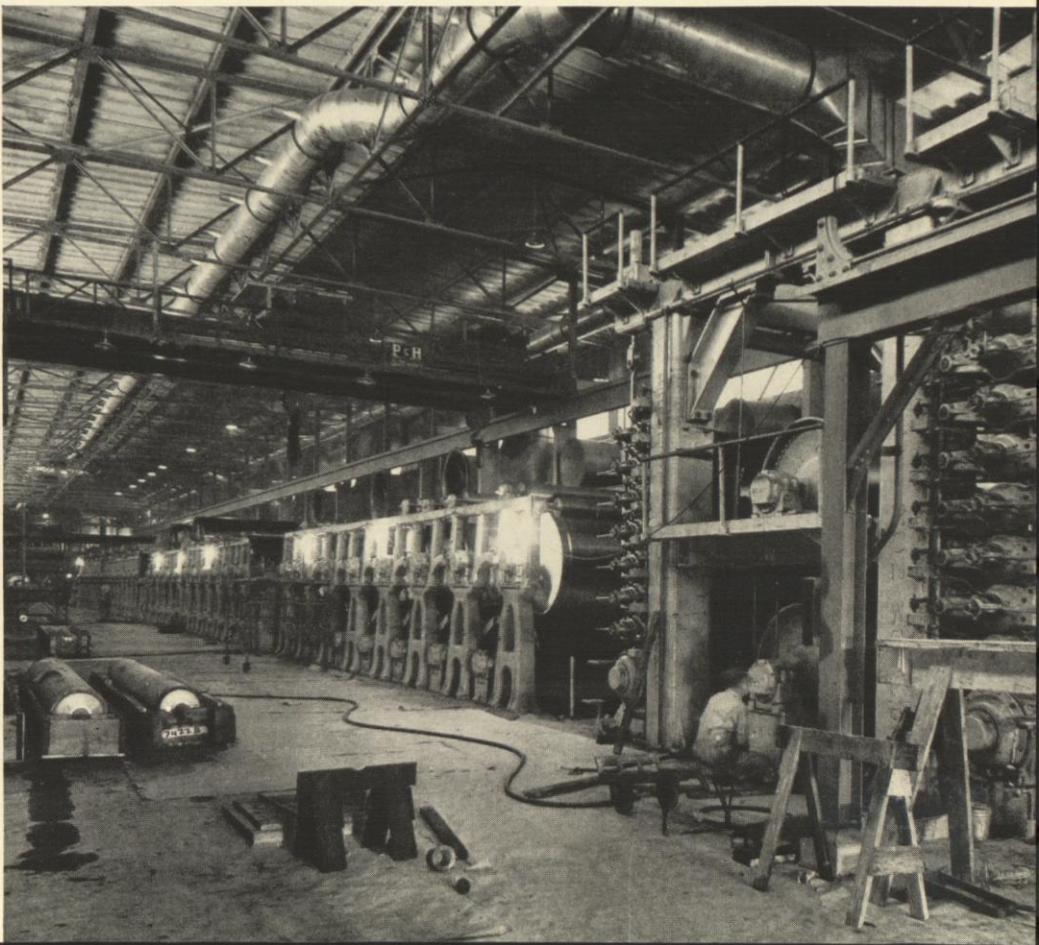
The improvement program is now almost two-thirds completed. Because of continually rising costs of materials and labor, it is impossible to stay within original cost estimates. It is felt that presently available funds are sufficient to carry the program through to completion. No further additions to the improvement program are believed necessary at this time, and consequently new capital appropriations are restricted currently to routine day to day requirements of a minor nature.

During the middle of the year your Company's head office was moved from 111 West Washington Street to 38 South Dearborn Street. In the former location the offices were spread over six floors and it was impossible to consolidate them. This was feasible at the present location where the new offices are laid out along modern and functionally efficient lines which has resulted in such favorable comment that several national magazines are writing articles about them. Stockholders are cordially invited to inspect the new offices whenever they have the opportunity.

**FEDERAL INCOME TAXES.** During 1947 the parent Company's Federal Income Tax returns for several past years up to and including 1945 were examined. Additional tax payments of \$889,478 were charged against the Reserve for Contingencies, leaving a balance in this reserve of \$1,110,522.



Above, kraft container board mill building nearing completion at Fernandina, Florida. Right, finishing end of the new kraft container board machine.



**CAPITALIZATION.** At the regular annual meeting of the stockholders held on April 9, 1947, approval was given to amending the Company's charter to provide for: (1) increasing the Company's authorized common stock from 1,000,000 shares to 1,500,000 shares; (2) rescinding of a 1941 authorization providing for an issue of 50,000 shares of preferred stock without par value; and (3) the creation of a new issue of 100,000 shares of \$100 par, cumulative preferred stock.

On April 15, 1947, in accordance with the authorization mentioned above, 100,000 shares of 4% cumulative preferred stock were sold to the public at a price of \$101.50. This issue was underwritten by a group of investment bankers, and after underwriting commissions and expenses, the proceeds of \$9,889,209 were added to your Company's cash funds to provide for the improvement program previously mentioned.

Coincident with the sale of this preferred stock, the \$6,000,000 bank loan agreement, which had been in effect since the middle of 1945 and against which no borrowings had been made, was cancelled.

No additional common stock was issued or sold during the year 1947; the outstanding shares remained at 990,474 throughout the period.

**SURPLUS.** The net profit for the year of \$10,273,603 was credited to earned surplus. Net costs in connection with the preferred stock financing of \$110,791 were charged to earned surplus. After charging dividends of \$4,801,133 paid or declared during 1947, the net earned surplus addition for the year was \$5,361,679.



FIVE-YEAR COMPARISONS 1943-1947

	1943	1944	1945	1946	1947
NUMBER OF EMPLOYEES (AT 12/31)	6,428	7,131	7,632	9,515	10,860
TONS SHIPPED	598,918	585,018	597,267	624,126	675,583
NET PROFIT	\$2,184,054	\$2,063,199	\$2,026,103	\$7,165,561	\$10,273,603
DIVIDENDS PAID AND/OR DECLARED	\$1,171,879	\$1,171,879	\$1,171,879	\$3,222,911	\$4,801,133
TAXES	\$8,556,871	\$8,761,227	\$7,568,906	\$6,298,435	\$7,945,261
INVESTED CAPITAL PER EMPLOYEE	\$ 3,545	\$ 3,321	\$ 3,274	\$ 3,854	\$4,818
INCREASE IN EARNED SURPLUS	\$903,983	\$891,321	\$854,224	\$4,344,865	\$5,361,679

Left, representative folding cartons and fibre cans manufactured in various fabricating plants of the company.



Above, representative corrugated shipping containers manufactured in various company plants. Right, solid fibre shipping containers.



## OPERATIONS

The tabulation below shows the tons of paperboard and pulp produced by the Company's paper mills and pulp mill and the tons of finished products shipped by mills and box factories to customers:

	Tons Produced in Mills	Tons Finished Product Shipped
1940.....	461,815	504,507
1941.....	546,002	627,292
1942.....	508,423	575,856
1943.....	537,076	598,918
1944.....	523,946	585,018
1945.....	534,131	597,267
1946.....	558,621	624,126
1947.....	589,780	675,583

The tons of finished products shipped exceeded the tons produced in the Company's paper mills and pulp mill because of the tonnage purchased from outside sources in addition to the Company's own production.

## SALES AND SALES PROMOTION

Consolidated net sales for 1947 were \$128,345,675, an increase of \$37,255,389 or 41% over sales of \$91,090,286 in 1946. The tons of finished products shipped increased 8%; a new high record in both instances.

The sales of fabricated products during the year constituted an increased percentage of the total sales compared with the previous year. Selling prices for various products were increased somewhat during the year because of the higher costs of raw materials, labor and transportation. This largely explains the greater increase in dollar volume than in unit sales.

The various sales service departments such as the Sales Research Laboratories, Technical Research Departments and the Departments of Art and Design concentrated activities on a broad program of further improvements in the quality and appearance of the Company's products. With the advent of more competitive conditions, the Company's customers, both old and new, are seeking the aid of our design facilities for the development of more attractive packages for their products.



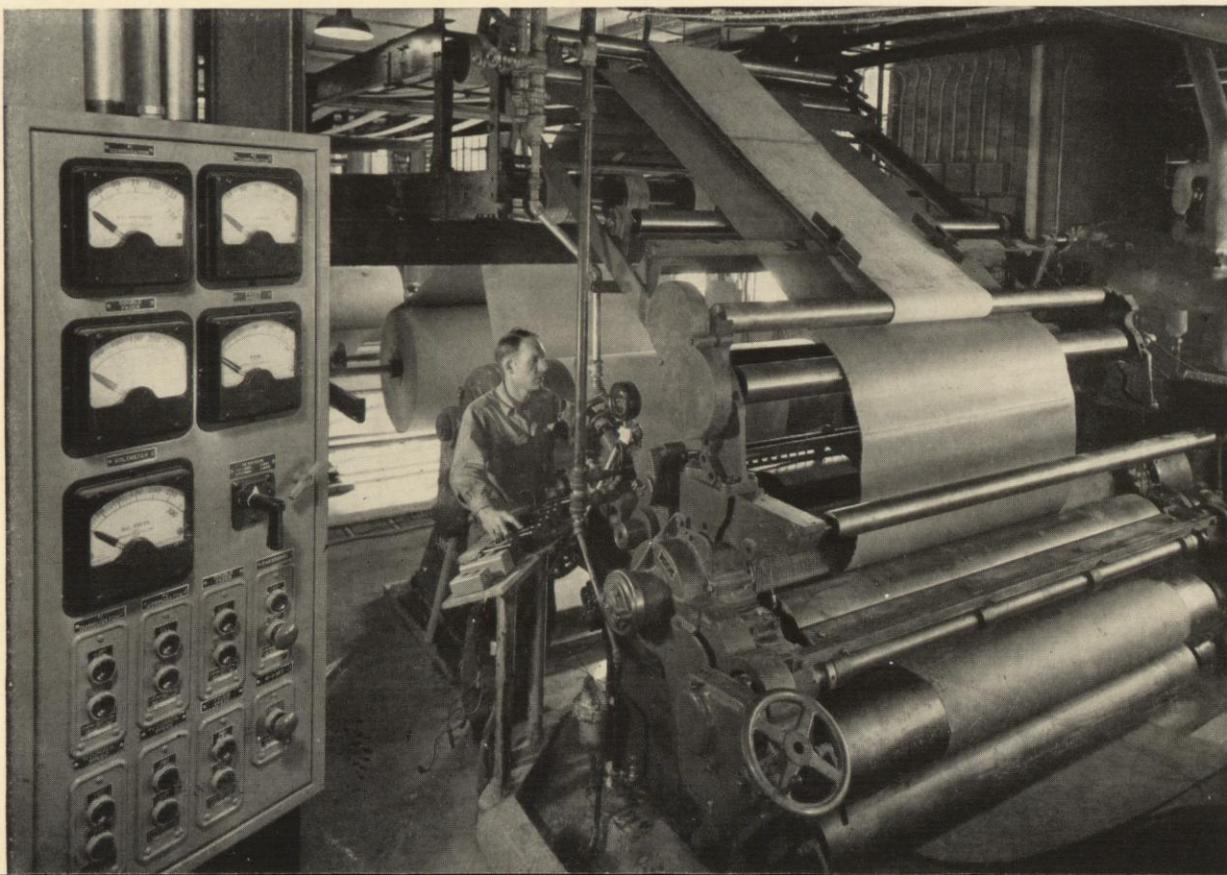
Some of the first cartons and shipping containers produced by Carton de Colombia, S. A., in Cali, from board made at its mill.

## SUBSIDIARY AND AFFILIATED COMPANIES

O. B. Andrews Company with headquarters and production facilities in Chattanooga, Tennessee, as well as fabricating plants located at Knoxville and Johnson City, Tennessee, and Atlanta, Georgia, was acquired on July 1, 1947, by the cash purchase of that company's stock for \$2,197,800. The acquisition price of the stock represented an excess over its book value of \$359,680 which amount was written off against current earnings. This acquisition was made to enable Container Corporation of America to participate in the growing southeastern market and to extend to the Company's customers its service in that area. The O. B. Andrews Company's products consist of corrugated and solid fibre shipping containers, folding cartons, and paperboard. After the acquisition, \$149,700 of preferred stock of the O. B. Andrews Company was called for redemption and paid.

California Container Corporation has further extended its service to customers by the establishment of folding carton plants at Los Angeles and Seattle in addition to the original corrugated and solid fibre container operations. In addition, during the year, the company entered into a lease for a paperboard mill at Los Angeles. Paperboard on the West Coast has been in short supply and this acquisition made possible improved integration of the West Coast operations.

Pioneer Paper Stock Company, which is engaged in the purchase, sorting and sale of waste paper, functions as a supplier of raw materials to your Company and to many long time customers who are users of waste paper. During the year waste paper was in scarce supply. Pulp substitutes were particularly difficult to procure and the demand for all grades continued strong throughout the year. During the latter part of 1947, the Company suffered a fire loss at its Philadelphia waste paper sorting plant, and steps are underway currently to replace this facility which was covered by insurance.





Above, new boiler plant at the Wabash, Indiana mill. Opposite, corrugator recently installed at the Fort Worth plant.

Sefton Fibre Can Company, with operations in St. Louis, Missouri, and New Orleans, Louisiana, manufacturing mainly fibre cans, continued during the year its program of product development.

**FOREIGN INVESTMENTS.** Your Company has a 50% stock interest in two foreign companies through Carton Internacional, S. A.

Carton de Colombia, S. A. during the year completed construction of the paperboard mill and installation of auxiliary equipment at Cali, which commenced production of paperboard the latter part of 1946. A shipping container and folding carton plant had previously been completed and in operation. The Company had a profitable year's operation and the outlook is satisfactory.

Cartoenvases de Mexico, S. A. has increased its folding carton sales during the year and extended the sales of its products. The year's operation showed an improvement in its profit over the previous year.

#### **PAPERBOARD AND CONTAINER INDUSTRY CONDITIONS**

Both the paperboard and the container industries operated at virtual capacity throughout the year. Labor and material costs were again higher; selling prices in the main were firm with some moderate increases occurring. The outlook for 1948 is unclear, dependent as these industries are upon the trend of general business conditions. There are signs indicating a transition from a seller's market to a more normal and healthier balance between supply and demand. Present indications are that the sales volume for the first two months of 1948 have followed the trend of good volume of the second half of 1947.

Some of the new paperboard capacity which was under construction during the last two years has come on the market, and some additional new properties are nearing completion. Thus far none of the older marginal standby units which have been operating at capacity have been taken off the line, but this will no doubt be done as soon as the demand becomes insufficient to take care of the full time production of new and presently operating properties.

Pulp and waste paper are still scarce and not available in sufficient quantities at reasonable prices.

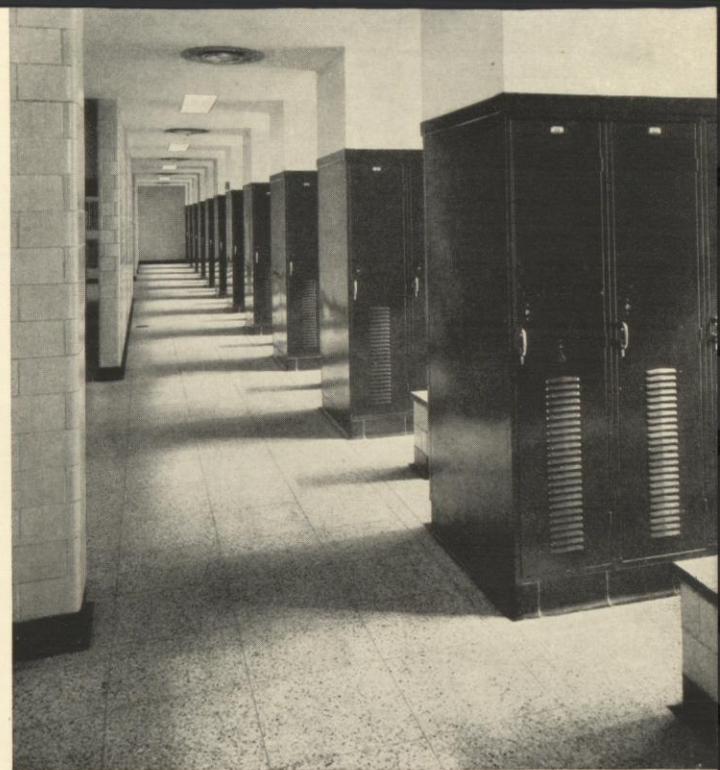
Many new products requiring packaging continue to appear on the market and provide new and additional outlets for cartons and containers of all types.

It is futile to attempt to forecast business conditions for any extended period for these industries, dependent as they are upon general business, and influenced as all business conditions are by unresolved world problems and domestic political and economic uncertainties.

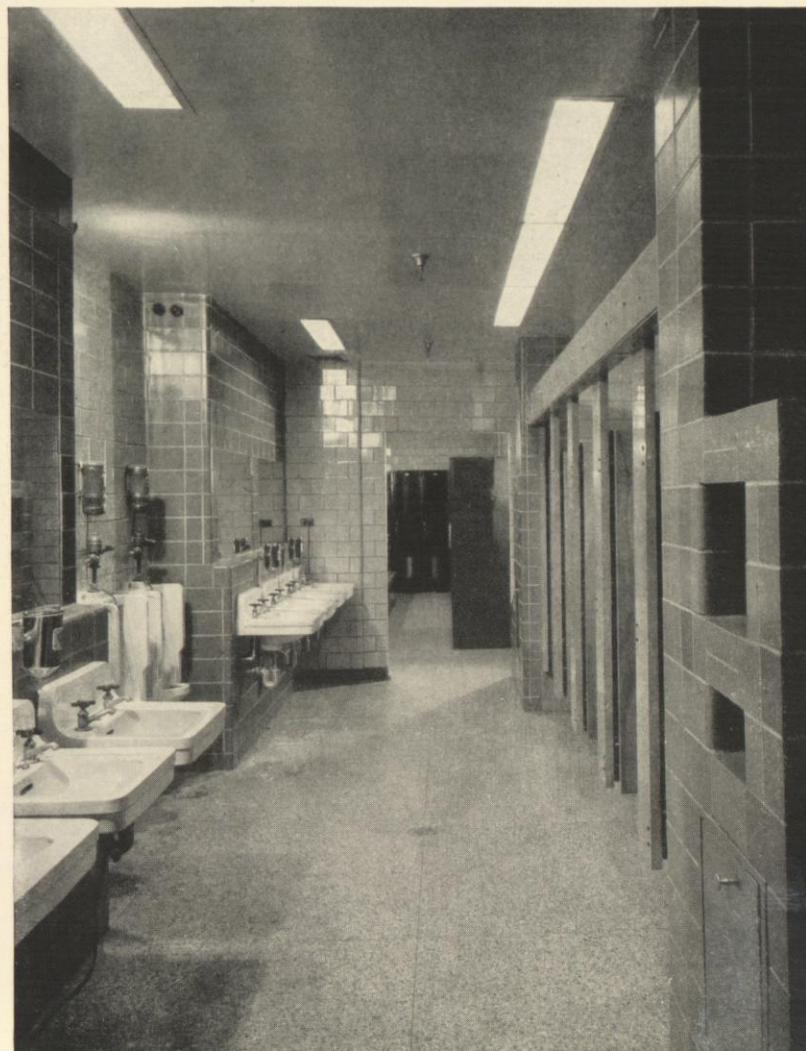
#### **EMPLOYEE RELATIONS**

At the end of the year approximately 10,860 men and women were employed in the mills, factories and offices of your Company and its subsidiaries.

Further progress was made on the program of improving working conditions in many of the plants. During the year your Company suffered no loss of time through strikes, and its absentee and labor turnover record continued to improve.



Recently installed employee facilities. Upper left, cafeteria at the Coated Board plant, Chicago. Upper right, locker rooms at the Fernandina, Florida mill. Lower left, foremen's lounge and locker rooms at the Philadelphia plant; right, general facilities and locker rooms at the Wabash, Indiana mill.





MINNESOTA—annual purchases: \$2 1/4 billion

mostly packaged.

Artist — John Atherton, native of Minnesota

CONTAINER CORPORATION OF AMERICA



SAFETY. A more intensive safety program was initiated during the year with favorable reductions in both accident incidence and lost time.

GROUP INSURANCE. In the fall of 1947 the Company's Group Insurance Plan was revised to provide for additional life and sickness and accident coverage, as well as providing for additional hospitalization benefits for employees and their families. The costs of the revised plan, as formerly, are shared jointly by the Company and the participating employees.

RETIREMENT ANNUITY PLAN. As of the end of the year, 85% of those employees eligible were participating in the Company's Retirement Annuity Plan. Combined employee and Company contributions for the year 1947 amounted to \$1,086,002; the employees contributed \$493,636, and the Company \$592,366. Contributions by and on account of executive officers amounted to 2.2% while 97.8% was contributed by and on account of all of the other employees. As of December 31, 1947, 6,000 employees have become eligible for benefits under the plan since it was first installed; 1,000 of these employees becoming eligible in 1947. During the year the plan was extended to include the employees of California Container Corporation.

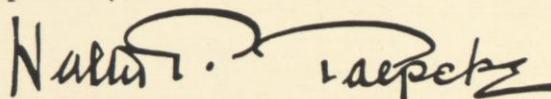
MANAGEMENT PROFIT SHARING PLAN. Under this plan, approved by the shareholders at their annual meeting in 1940, a total amount of \$2,286,474 would have been payable for the year 1947; however, the non-participating directors entrusted with the final determination of the profit sharing amount concluded that under present conditions, the amount to be distributed should be limited to \$469,850, compared with \$347,800 last year. A good part of the increase in this amount is attributable to changes in the status of certain senior members of the sales and production organization qualifying them for participation under the plan, and the remainder to some increased allocations to previous participants. Distributions were authorized as follows: 18.1% to the Chairman of the Board, 11.2% to the President, 24.5% to the three Vice Presidents, and 46.2% to 61 other employees, including the Secretary-Treasurer and Controller.

## ORGANIZATION

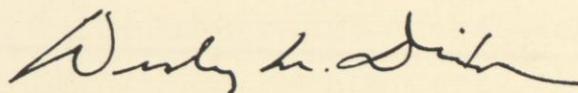
The Board of Directors expresses its gratitude and appreciation for the able, conscientious and loyal performance of all members of the organization during the year, which was the best in your Company's history.

Submitted on behalf of the Board of Directors.

Respectfully,



Chairman of the Board



President

One of the continuing series of advertisements depicting each of the forty-eight states of the United States, appearing in magazines of national circulation. Artists native to each state are engaged to make the paintings.

**CONTAINER CORPORATION OF AMERICA AND  
CONSOLIDATED YEAR-END BALANCE SHEETS FOR TWELVE YEAR  
ASSETS**

	1947	1946	1945	1944	1943
Cash .....	\$ 6,533,344	\$ 5,917,335	\$ 3,991,492	\$ 2,364,987	\$ 1,649,835
U. S. Government securities.....	748,187	133,321	1,620,562	612,166	297,061
Accounts and notes receivable—less reserves	6,180,152	5,115,371	3,081,785	2,809,884	2,913,481
Inventories.....	9,270,857	6,136,154	4,529,376	3,737,137	3,481,416
Total current assets.....	<b>\$22,732,540</b>	<b>\$17,302,181</b>	<b>\$13,223,215</b>	<b>\$ 9,524,174</b>	<b>\$ 8,341,793</b>
Cash set aside for plant additions and better- ment program.....	6,000,000	4,000,000	—	—	—
Postwar excess profits tax refund.....	—	—	—	1,720,834	1,010,834
Other receivables and investments.....	1,317,990	1,596,964	1,324,789	864,472	76,143
Land.....	3,827,846	3,717,904	3,549,668	3,551,231	3,569,681
Buildings, machinery and equipment.....	45,853,731	34,758,138	29,122,070	27,867,623	26,972,366
Reserve for depreciation.....	<b>21,885,495</b>	<b>19,284,987</b>	<b>17,173,036</b>	<b>15,918,586</b>	<b>14,573,515</b>
Deferred charges.....	786,845	803,285	482,755	508,991	446,918
Goodwill and patents .....	I	I	I	I	I
	<b>\$58,633,458</b>	<b>\$42,893,486</b>	<b>\$30,529,462</b>	<b>\$28,118,740</b>	<b>\$25,844,221</b>

**LIABILITIES**

Accounts payable.....	\$ 3,019,510	\$ 2,037,779	\$ 2,309,871	\$ 1,462,096	\$ 849,217
Accrued salaries, wages, taxes, interest, etc.	2,370,144	2,184,104	1,835,630	1,426,907	1,256,587
Reserve for Federal income taxes and renegotiation of war contracts.....	—*	—*	—*	—*	—*
Dividends payable.....	100,000	—	—	—	—
Sinking fund payments due within a year..	—	—	—	—	—
Total current liabilities.....	<b>\$ 5,489,654</b>	<b>\$ 4,221,883</b>	<b>\$ 4,145,501</b>	<b>\$ 2,889,003</b>	<b>\$ 2,105,804</b>
Funded debt.....	—	—	—	—	—
Reserve for inventory and contingencies.....	1,110,522	2,000,000	1,400,000	1,100,000	500,000
Preferred stock.....	10,000,000	—	—	—	—
Common stock.....	19,809,480	19,809,480	15,625,060	15,625,060	15,625,060
Paid-in surplus.....	3,829,851	3,829,851	671,494	671,494	671,494
Earned surplus.....	18,393,951	13,032,272	8,687,407	7,833,183	6,941,863
	<b>\$58,633,458</b>	<b>\$42,893,486</b>	<b>\$30,529,462</b>	<b>\$28,118,740</b>	<b>\$25,844,221</b>
Working capital.....	\$17,242,886	\$13,080,298	\$ 9,077,714	\$ 6,635,171	\$ 6,235,989
Current ratio.....	4.14 to 1	4.10 to 1	3.19 to 1	3.30 to 1	3.96 to 1
Book value per common share.....	\$ 42.44	\$ 37.02	\$ 31.98	\$ 30.89	\$ 29.74

*Note—Italics denote red figures.*

\*Provision for Federal income taxes which includes  
renegotiation reserve for 1943, 1944 and 1945...

Less Treasury notes—tax series.....

\$ 7,835,425	\$ 7,266,403	\$ 8,080,442	\$ 9,896,997	\$ 9,218,820
7,835,425	7,266,403	8,080,442	9,896,997	9,218,820
—	—	—	—	—

# SUBSIDIARY COMPANIES

PERIOD ENDED DECEMBER 31, 1947

1942	1941	1940	1939	1938	1937	1936
\$ 1,216,063	\$ 1,249,665	\$ 2,456,532	\$ 1,044,918	\$ 1,031,969	\$ 1,650,344	\$ 1,147,362
285,870	—	—	—	—	—	—
2,380,611	3,108,880	1,969,006	1,903,452	1,474,683	1,133,116	1,625,631
3,199,667	4,340,712	3,410,931	3,644,189	2,859,950	3,143,426	2,900,739
\$ 7,082,211	\$ 8,699,257	\$ 7,836,469	\$ 6,592,559	\$ 5,366,602	\$ 5,926,886	\$ 5,673,732
—	—	—	—	—	—	—
361,000	—	—	—	—	—	—
135,134	367,664	802,253	1,561,736	1,487,517	1,848,555	149,754
3,583,906	3,599,118	3,485,447	3,463,005	3,450,285	3,192,264	3,237,069
26,361,566	25,864,025	25,096,655	24,051,950	23,452,635	22,720,891	21,872,009
<b>13,269,224</b>	<b>11,952,714</b>	<b>10,992,835</b>	<b>9,897,678</b>	<b>8,922,908</b>	<b>7,763,149</b>	<b>7,738,397</b>
283,175	227,151	187,062	338,039	387,994	385,583	438,647
I	I	I	I	I	I	I
<b>\$24,537,769</b>	<b>\$26,804,502</b>	<b>\$26,415,052</b>	<b>\$26,109,612</b>	<b>\$25,222,126</b>	<b>\$26,311,031</b>	<b>\$23,632,815</b>

\$ 1,154,353	\$ 1,321,396	\$ 345,977	\$ 820,005	\$ 446,525	\$ 363,451	\$ 1,305,003
1,048,981	1,118,470	832,830	516,978	392,440	434,276	415,636
—*	360,070*	1,186,977	296,000	34,200	528,000	255,000
—	—	—	—	—	—	—
—	—	—	250,000	128,000	115,000	154,000
\$ 2,203,334	\$ 2,799,936	\$ 2,365,784	\$ 1,882,983	\$ 1,001,165	\$ 1,440,727	\$ 2,129,639
—	2,900,000	4,100,000	5,126,000	5,945,500	6,472,000	6,980,500
—	—	—	—	500,000	449,114	434,114
—	—	—	—	—	—	—
15,625,060	15,625,060	15,625,060	15,625,060	15,625,060	15,625,060	13,070,800
671,494	671,494	671,494	671,494	671,494	383,139	—
6,037,881	4,808,012	3,652,714	2,804,075	1,478,907	1,940,991	1,017,762
<b>\$24,537,769</b>	<b>\$26,804,502</b>	<b>\$26,415,052</b>	<b>\$26,109,612</b>	<b>\$25,222,126</b>	<b>\$26,311,031</b>	<b>\$23,632,815</b>
\$ 4,878,877	\$ 5,899,321	\$ 5,470,685	\$ 4,709,576	\$ 4,365,437	\$ 4,486,159	\$ 3,544,093
3.21 to 1	3.11 to 1	3.31 to 1	3.50 to 1	5.36 to 1	4.11 to 1	2.66 to 1
\$ 28.59	\$ 27.01	\$ 25.53	\$ 24.45	\$ 22.75	\$ 22.97	\$ 21.56
\$ 6,878,426	\$ 4,564,790					
6,878,426	4,204,720					
—	\$ 360,070					

**CONTAINER CORPORATION OF AMERICA AND  
CONSOLIDATED PROFIT AND LOSS STATEMENTS FOR TWELVE**

	1947	1946	1945	1944	1943
Net sales.....	\$128,345,675	\$91,090,286	\$74,138,191	\$69,641,096	\$61,163,685
Cost of sales (exclusive of depreciation)...	102,475,747	71,246,408	59,589,990	53,830,458	46,206,565
Gross profit (exclusive of depreciation) \$ 25,869,928	\$ 19,843,878	\$ 14,548,201	\$ 15,810,638	\$ 14,957,120	
Provision for depreciation.....	1,715,774	1,493,346	1,435,464	1,481,306	1,421,460
Gross profit from operations.....	\$ 24,154,154	\$ 18,350,532	\$ 13,112,737	\$ 14,329,332	\$ 13,535,660
Selling, administrative and general expenses	6,872,580	5,317,302	4,496,451	4,025,746	3,412,501
Profit from operations.....	\$ 17,281,574	\$ 13,033,230	\$ 8,616,286	\$ 10,303,586	\$ 10,123,159
Other income and <i>deductions</i> , net .....	307,971	102,331	399,817	209,613	260,895
Profit before interest and Federal income taxes.....	\$ 16,973,603	\$ 13,135,561	\$ 9,016,103	\$ 10,513,199	\$ 10,384,054
Interest charges, etc.....	—	—	—	—	—
Profit before Federal income taxes, etc. \$ 16,973,603	\$ 13,135,561	\$ 9,016,103	\$ 10,513,199	\$ 10,384,054	
Provision for Federal income taxes (including renegotiation in 1945, 1944 and 1943).....	6,700,000	5,370,000	6,690,000	7,850,000	7,700,000
Net profit for the year.....	\$ 10,273,603	\$ 7,765,561	\$ 2,326,103	\$ 2,663,199	\$ 2,684,054
Provision for inventory and contingencies reserve.....	—	600,000	300,000	600,000	500,000
Balance carried to earned surplus .....	\$ 10,273,603	\$ 7,165,561	\$ 2,026,103	\$ 2,063,199	\$ 2,184,054
Earnings per share:					
Preferred stock.....	\$ 102.74	—	—	—	—
Common stock.....	\$ 10.09	\$ 7.23	\$ 2.59	\$ 2.64	\$ 2.80

**RECORD OF DIVIDENDS AND INTEREST PAID ON FUNDED DEBT**

Dividends paid and/or declared:

Preferred stock .....	\$ 344,000	\$ 4,664*	—	\$ 1,171,879	\$ 1,171,879
Common stock .....	4,457,133	3,218,247	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879
Total dividends.....	\$ 4,801,133	\$ 3,222,911	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879
**Interest paid on funded debt.....	—	—	—	—	—
Total dividends and interest.....	\$ 4,801,133	\$ 3,222,911	\$ 1,171,879	\$ 1,171,879	\$ 1,171,879

\*Paid on preferred stock issues of subsidiary companies. Such issues were retired in 1946.

\*\*On basis of cash payments made. This differs slightly from accrual basis used on profit and loss statement.

# SUBSIDIARY COMPANIES

YEAR PERIOD ENDED DECEMBER 31, 1947

1942	1941	1940	1939	1938	1937	1936	Total
\$49,533,239	\$46,714,221	\$30,464,677	\$24,114,815	\$18,705,290	\$25,268,327	\$22,525,268	\$641,704,770
36,668,926	35,548,267	23,339,894	19,172,531	15,295,294	19,201,297	17,466,001	500,041,378
\$12,864,313	\$11,165,954	\$ 7,124,783	\$ 4,942,284	\$ 3,409,996	\$ 6,067,030	\$ 5,059,267	\$141,663,392
1,411,499	1,307,975	1,241,246	1,180,417	1,261,111	1,216,800	1,172,734	16,339,132
\$11,452,814	\$ 9,857,979	\$ 5,883,537	\$ 3,761,867	\$ 2,148,885	\$ 4,850,230	\$ 3,886,533	\$125,324,260
3,016,086	2,953,587	2,361,345	1,690,557	1,748,504	2,027,711	1,791,599	39,713,969
\$ 8,436,728	\$ 6,904,392	\$ 3,522,192	\$ 2,071,310	\$ 400,381	\$ 2,822,519	\$ 2,094,934	\$ 85,610,291
181,652	69,679	113,030	36,237	75,930	71,770	89,054	841,031
\$ 8,618,380	\$ 6,834,713	\$ 3,635,222	\$ 2,107,547	\$ 476,311	\$ 2,750,749	\$ 2,005,880	\$ 86,451,322
36,632	92,536	220,540	365,604	412,641	438,644	463,938	2,030,535
\$ 8,581,748	\$ 6,742,177	\$ 3,414,682	\$ 1,741,943	\$ 63,670	\$ 2,312,105	\$ 1,541,942	\$ 84,420,787
6,180,000	4,415,000	1,187,000	293,043	34,200	528,000	255,000	47,202,243
\$ 2,401,748	\$ 2,327,177	\$ 2,227,682	\$ 1,448,900	\$ 29,470	\$ 1,784,105	\$ 1,286,942	\$ 37,218,544
—	—	—	—	—	—	—	2,000,000
\$ 2,401,748	\$ 2,327,177	\$ 2,227,682	\$ 1,448,900	\$ 29,470	\$ 1,784,105	\$ 1,286,942	\$ 35,218,544
\$ 3.07	\$ 2.98	\$ 2.85	\$ 1.85	\$ .04	\$ 2.28	\$ 1.97	—

FOR TWELVE YEAR PERIOD ENDED DECEMBER 31, 1947

\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 195,313	\$ 234,376	\$ 860,876	\$ 816,925	\$ 348,664
\$ 1,171,879	\$ 1,171,879	\$ 1,171,879	\$ 195,313	\$ 234,376	\$ 860,876	\$ 816,925	\$ 17,162,808
\$ 37,031	\$ 91,234	\$ 207,677	\$ 310,900	\$ 346,005	\$ 374,340	\$ 422,459	\$ 1,789,646
\$ 1,208,910	\$ 1,263,113	\$ 1,379,556	\$ 506,213	\$ 580,381	\$ 1,235,216	\$ 1,239,384	\$ 18,952,454

## RAW MATERIALS

## PROCESSING

## MILLS



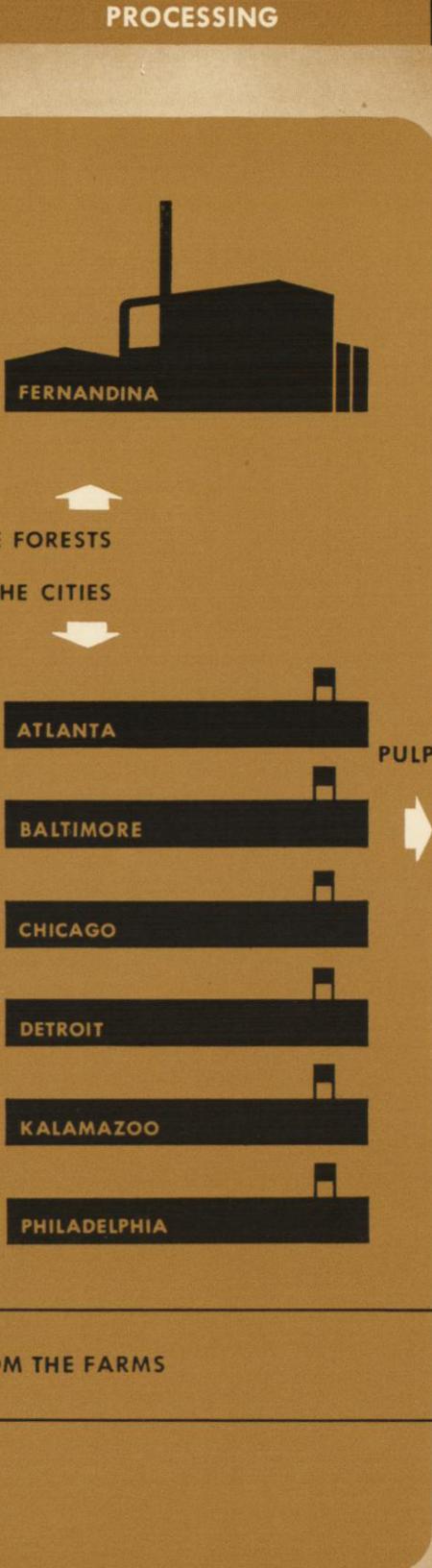
PULP WOOD FROM THE FORESTS



WASTE PAPER FROM THE CITIES



STRAW FROM THE FARMS



PULP AND PAPERSTOCK



SOURCES AND FLOW OF PRIMARY MATERIALS THROUGH MILLS

## FACTORIES

## PRODUCTS

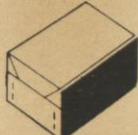
## USES

## PAPERBOARD

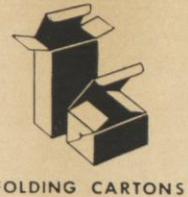


ANDERSON  
ATLANTA  
BALTIMORE  
BOSTON  
CHATTANOOGA  
CHICAGO—COATED BOARD  
CHICAGO—35TH STREET  
CHICAGO—OGDEN  
CINCINNATI  
CLEVELAND  
FT. WORTH  
GREENSBORO  
JOHNSON CITY  
KNOXVILLE  
LOS ANGELES  
NEW ORLEANS  
OAKLAND  
PHILADELPHIA—MANAYUNK  
PHILADELPHIA—6TH STREET  
ROCK ISLAND  
ST. LOUIS  
SEATTLE  
SIOUX CITY

CORRUGATED CONTAINERS



SOLID FIBRE CONTAINERS



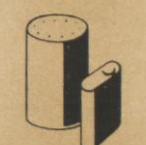
FOLDING CARTONS



FOOD PAILS



SET-UP BOXES



FIBRE CANS

Ammunition	Household Goods
Automotive Parts	Linens and Towels
Bakery Goods	Liquor and Wine
Beer	Machines and Parts
Boots and Shoes	Matches
Building Materials	Meat Products
Canned Foods	Paint and Varnish
Caps and Closures	Paper Products
Cereal Products	Personal Accessories
Chemicals	Petroleum Products
China & Pottery	Pharmaceuticals
Clothing	Publishers, Printers
Coffee, Tea, Cocoa	Radio Products
Confectionery	Rubber Goods
Cosmetics	Soaps and Cleansers
Dairy Products	Soft Drinks
Dehydrated Foods	Spices
Explosives	Sporting Goods
Electrical Products	Sugar and Salt
Frozen Foods	Textiles
Fruits and Vegetables	Tobacco Products
Furniture	Tools
Glass Products	Toys and Games
Hardware and Tools	Vegetable Products

**CONTAINER CORPORATION OF AMERICA**  
**COMPARATIVE CONSOLIDATED BALANCE SHEETS—**  
**ASSETS**

	1947	1946		
<b>CURRENT ASSETS:</b>				
Cash.....	\$ 6,533,344	\$ 5,917,335		
U. S. Government securities, at cost, plus accrued interest.....	748,187	133,321		
Accounts receivable, less reserve of \$171,724 in 1947 and \$191,472 in 1946.....	6,180,152	5,115,371		
Inventories of finished goods, work in process, raw materials and supplies— priced at the lower of average cost or market.....	9,270,857	6,136,154		
Total current assets.....	<u>\$22,732,540</u>	<u>\$17,302,181</u>		
 <b>INVESTMENTS AND ADVANCES, AT COST:</b>				
Investments in and advances to foreign subsidiaries not consolidated....	\$ 950,000	\$ 900,000		
Other investments and advances.....	367,990	696,964		
	<u>\$ 1,317,990</u>	<u>\$ 1,596,964</u>		
 <b>CASH SET ASIDE FOR PLANT ADDITIONS AND BETTERMENT PROGRAM.....</b>	 <u>\$ 6,000,000</u>	 <u>\$ 4,000,000</u>		
 <b>PLANT AND EQUIPMENT</b> —stated at amounts (based in part on appraisals) recorded at dates of acquisition of properties (including properties acquired for capital stock), plus subsequent additions at cost:				
	<u>Gross</u>	<u>Reserves</u>		
Land.....	\$ 3,827,846	\$ —	\$ 3,827,846	\$ 3,717,904
Buildings.....	11,294,546	3,997,994	7,296,552	5,367,336
Machinery, equipment, etc.....	29,378,097	13,806,627	15,571,470	7,823,143
Leasehold and leasehold improvements.....	5,181,088	4,080,874	1,100,214	898,667
	<u>\$49,681,577</u>	<u>\$21,885,495</u>	<u>\$27,796,082</u>	<u>\$17,807,050</u>
Construction in progress.....			—	1,384,005
			<u>\$27,796,082</u>	<u>\$19,191,055</u>
 <b>PREPAID AND DEFERRED CHARGES.....</b>	 <u>\$ 786,845</u>	 <u>\$ 803,285</u>		
 <b>GOODWILL AND PATENTS.....</b>	 <u>\$ 1</u>	 <u>\$ 1</u>		
	<u>\$58,633,458</u>	<u>\$42,893,486</u>		

# AND SUBSIDIARY COMPANIES

DECEMBER 31, 1947 AND DECEMBER 31, 1946

## LIABILITIES

	1947	1946
<b>CURRENT LIABILITIES:</b>		
Accounts payable.....	\$ 3,019,510	\$ 2,037,779
Accrued liabilities—		
Salaries, wages and profit sharing provision.....	1,397,922	1,349,343
Taxes, other than Federal taxes on income.....	867,086	640,770
Other.....	105,136	193,991
Dividends payable on preferred stock.....	100,000	—
Provision for Federal taxes on income of \$7,835,425 in 1947 and \$7,266,403 in 1946 less an equivalent amount of United States Treasury Notes, to be applied in payment thereof	—	—
Total current liabilities.....	<u>\$ 5,489,654</u>	<u>\$ 4,221,883</u>
 <b>RESERVE FOR POSSIBLE FUTURE INVENTORY PRICE DECLINE AND OTHER CONTINGENCIES (see accompanying summary).....</b>	<u>\$ 1,110,522</u>	<u>\$ 2,000,000</u>
 <b>CAPITAL STOCK AND SURPLUS:</b>		
4% cumulative preferred stock, \$100 par value; Authorized and issued in 1947, 100,000 shares.....	\$10,000,000	\$ —
Common stock, \$20 par value; Authorized 1,500,000 shares, issued 990,474 shares .....	19,809,480	19,809,480
Paid-in surplus.....	3,829,851	3,829,851
Earned surplus of which \$8,921,481 is restricted as to cash dividend payments on common stock (see accompanying summary).....	18,393,951	13,032,272
	<u>\$52,033,282</u>	<u>\$36,671,603</u>
	<u><u>\$58,633,458</u></u>	<u><u>\$42,893,486</u></u>

**CONTAINER CORPORATION OF AMERICA  
AND SUBSIDIARY COMPANIES**

**SUMMARIES OF CONSOLIDATED PROFIT AND LOSS  
FOR THE YEARS ENDED DECEMBER 31, 1947 AND 1946**

	1947	1946
NET SALES.....	\$128,345,675	\$91,090,286
COST OF SALES (including depreciation and depletion provision of \$1,715,774 in 1947 and \$1,493,346 in 1946).....	104,191,521	72,739,754
Gross profit from operations.....	\$ 24,154,154	\$18,350,532
SELLING, ADMINISTRATIVE AND GENERAL EXPENSES.....	6,872,580	5,317,302
Profit from operations.....	\$ 17,281,574	\$13,033,230
OTHER INCOME OR <i>Deductions</i> , net:		
Goodwill incident to acquisition of subsidiary.....	359,680	—
Other.....	+51,709	102,331
Balance before income taxes, etc.....	\$ 16,973,603	\$13,135,561
PROVISION FOR FEDERAL TAXES ON INCOME.....	6,700,000	5,370,000
Net profit for year.....	\$ 10,273,603	\$ 7,765,561
PROVISION FOR POSSIBLE FUTURE INVENTORY PRICE DECLINE AND OTHER CONTINGENCIES.....	—	600,000
Balance carried to surplus.....	\$ 10,273,603	\$ 7,165,561

NOTE: The company has filed claims for relief from a portion of its excess profits tax for the years 1940 through 1943 and 1945, under Section 722 of the Internal Revenue Code. The effect of such claims has not been reflected in the accompanying financial statements.

**SUMMARIES OF EARNED SURPLUS AND RESERVE  
FOR CONTINGENCIES FOR THE YEAR ENDED DECEMBER 31, 1947**

	EARNED SURPLUS
Balance, December 31, 1946.....	\$13,032,272
Add—Net profit for year per accompanying summary.....	10,273,603
	<u>\$23,305,875</u>
DEDUCT:	
Cash dividends declared—	
Preferred stock.....	\$ 344,000
Common stock (\$4.50 per share).....	4,457,133
Excess of expenses incurred over proceeds in excess of par value upon issuance of 4% cumulative preferred stock.....	110,791
	<u>\$ 4,911,924</u>
BALANCE, DECEMBER 31, 1947 (\$8,921,481 is restricted as to cash dividend payments on common stock).....	<u>\$18,393,951</u>

**RESERVE FOR POSSIBLE FUTURE INVENTORY PRICE  
DECLINE AND OTHER CONTINGENCIES**

BALANCE, DECEMBER 31, 1946.....	\$ 2,000,000
DEDUCT—Additional assessments of Federal taxes on income applicable to prior years.....	889,478
BALANCE, DECEMBER 31, 1947.....	<u>\$ 1,110,522</u>

ARTHUR ANDERSEN & Co.

120 SOUTH LA SALLE STREET  
CHICAGO 3

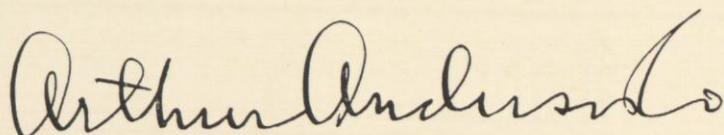
To the Stockholders of  
Container Corporation of America:

We have examined the consolidated balance sheet of CONTAINER CORPORATION OF AMERICA and subsidiaries as of December 31, 1947, and the summaries of consolidated profit and loss and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary. We made a similar examination for the year ended December 31, 1946.

In our opinion, the accompanying consolidated balance sheet and related summaries of consolidated profit and loss and surplus present fairly the position of the companies at December 31, 1947 and the results of their operations for the year ended that date, and are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chicago, Illinois,

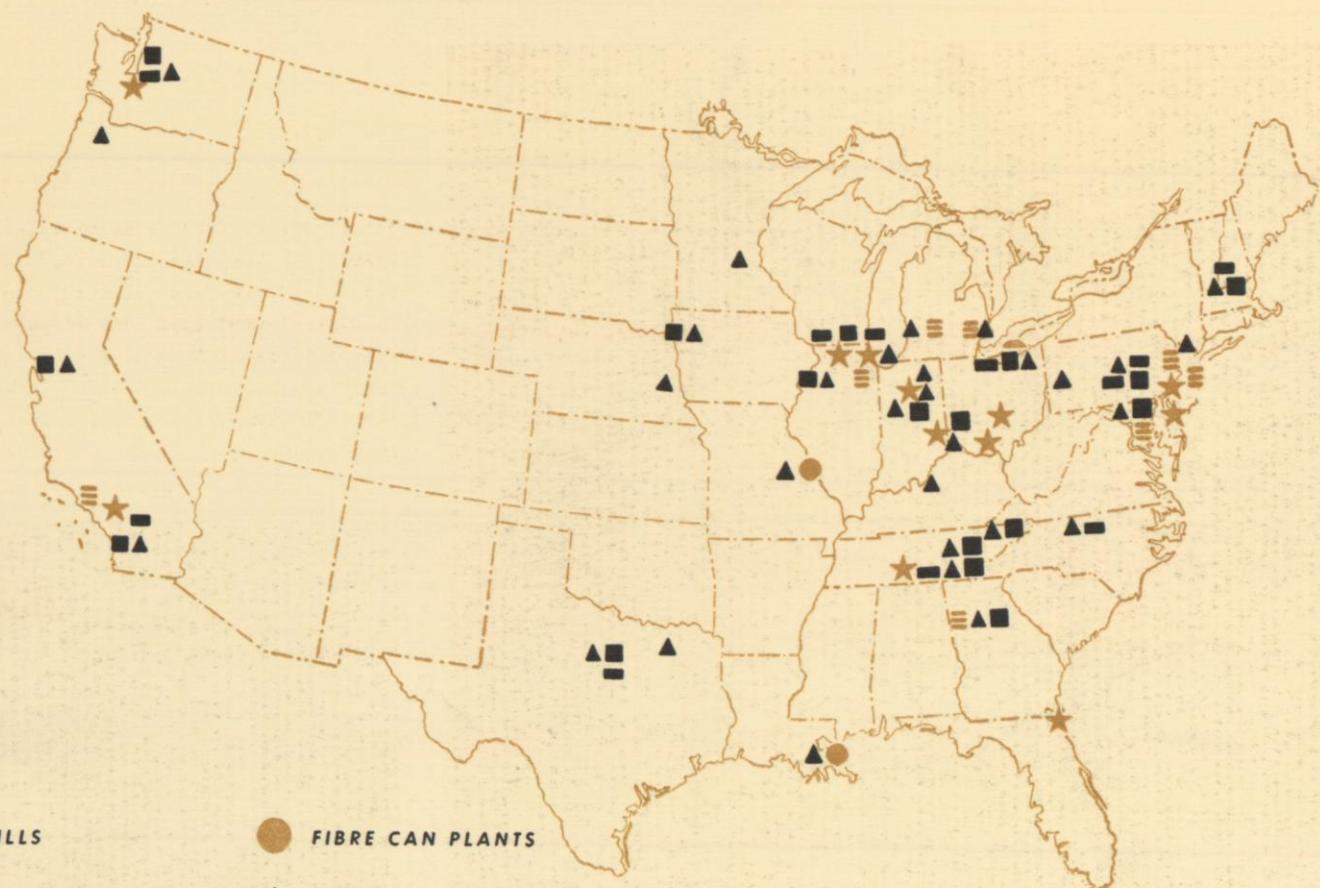
February 3, 1948.





Some aspects of the planting and harvesting of pine tree crops in Florida. Above left, machine planting of nine-month-old seedlings. Above right, 3-year-old slash pine about 5 feet high. Left, a cultivated field of 7-year-old trees. Below, mechanized loading of pulp wood.





★ MILLS

● FIBRE CAN PLANTS

■ WASTE PAPER PLANTS

▲ SALES OFFICES

■ CONTAINER PLANTS

○ SET-UP BOXES

■ CARTON PLANTS

Mills, plants and sales offices of the Company are strategically located with respect to the industries they serve.

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